

Message Text

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15

ACTION OPIC-12

INFO OCT-01 AF-10 ADP-00 COME-00 AID-20 EB-11 TRSE-00 L-03

INR-09 XMB-07 OMB-01 /074 W
----- 070439

R 160840 Z MAR 73

FM AMEMBASSY LUSAKA

TO SECSTATE WASHDC 8665

INFO AMEMBASSY ABIDJAN

AMEMBASSY BLANTYRE

AMEMBASSY DAR ES SALAAM

AMEMBASSY NAIROBI

C O N F I D E N T I A L LUSAKA 512

PASS OPIC, COMMERCE

E. O. 11652: GDS

TAGS: ETRN, ETRD, EFIN, ZA, US

SUBJ: TAW INTERNATIONAL

REF: LUSAKA 445 (NOTAL)

1. TAW LOCAL HTP LUTE ZULU TOLD EMBOFF MARCH 14 THAT, WHILE FINAL AGREEMENT ON LEASING OF TRUCKS TO GRZ NOT YET SIGNED, TAW HAD RECEIVED (AND DISCOUNTED FOR CASH) PROMISSORY NOTE FOR " NEARLY K1,000,000" (K1.00 EQUALS 1.56 DOLLARS). THIS PORTION OF 15 PERCENT DEPOSIT ON 28 MILLION DOLLAR DEAL FOR 400 RPT 400 TRUCKS AND 800 TRAILERS. FINAL AGREEMENT HELD UP PENDING RESOLUTION CERTAIN POINTS, MOST IMPORTANT OF WHICH ARE VEHICLE INSURANCE (WHO PAYS) AND CONTROL OVER HIRING AND FIRING OF DRIVERS (DESIRED BY TAW). ACTUAL LESSEE WOULD BE GRZ MANPOWER, TRANSPORT AND WORKS, WHICH WOULD OPERATE TRUCKS ON BOTH DAR AND MALAWI ROUTES INDEPENDENT OF ESTABLISHED SERVICES.

2. ZULU SAID HE UNDERSTOOD GM WAS " READY TO GO AHEAD," (ASSUMING WRITTEN COMMITMENT OBTAINED FROM GRZ) AS WERE PARTICIPATING BANKS. PROBLEM NOW WAS HESITANCY OF OPIC TO
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ISSUE NECESSARY INVESTMENT INSURANCE. HOWEVER, HE SAID TAW PROCEEDING WITH FIRST SHIPMENT OF TRUCKS, WHICH WILL ARRIVE " SOON" IN MOMBASA FROM ABIDJAN. TAW PRESIDENT THOMAS A. WOOD DUE IN LUSAKA MARCH 19 FOR FINAL ROUND OF NEGOTIATIONS.

3. ZULU SAID GRZ HAD STRONGLY IMPLIED TAW, IF IT DELIVERED ON PROMISES, COULD HOPE FOR MAJOR PORTION OF EMERGENCY TRUCK REQUIREMENTS, NOW ESTIMATED AT 3,000 RPT 3,000 UNITS. (THIS FIRST WE HAVE HEARD OF REQUIREMENT OF THIS MAGNITUDE AND WONDER ABOUT ITS ACCURACY.) HE SAID HE UNDERSTOOD AGREEMENT NEAR FOR TAW LEASE OF SAME TYPE OF TRUCKS FOR ZAMBIAN ROUTE TO TANZANIA (250 UNITS), KENYA (200 UNITS) AND MALAWI (300 UNITS). ALL HAD WAITED TO SEE WHAT WAY ZAMBIA WOULD TRUN. HE ADDED THAT SOME OTHER MAKES HAD BEEN SOLD TO ZAMBIAN COMPANIES RECENTLY (INCLUDING 200 FIATS TO ZAMTAN ROAD SERVICES, AND " SOME" LEYLANDS, MERCEDES, INTERNATIONAL HARVESTORS, AND UNSPECIFIED JAPANESE TRUCKS TO CONTRACT HAULAGE), BUT HE THOUGHT THESE ORDERS HAD BEEN PLACED BEFORE BORDER CRISIS. (N. B.: FINDECO COMPANY SECRETARY TOLD EMBOFF EARLIER IN DAY THAT, WITH EXCEPTION TAW TRANSACTION, NO FIRM ACTION ON TRUCKS YET TAKEN BY GRZ.)

4. HOPE OPIC ABLE SATISFY SELF PROMPTLY ITS REQUIREMENTS BEING MET. ASSUMING TAW AND GM DELIVER AS PROMISED; THIS LARGE TRANSACTION WILL BOOST US STANDING HERE AND QUITE POSSIBLY LEAD TO SIGNIFICANT ADDITIONAL SALES OF US EQUIPMENT AND SERVICES.
NELSON

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